

 **LETTER TO THE EDITOR**
RE: CORPORATE TAX
POLICY – Remove
negative incentives!
Don't just send in the
tax collector!



By Stephen L. Bakke  August 7, 2014

Here's what provoked me:

I read an article about Obama's plan to use coercive force to get corporations to comply with his vision of appropriate tax policy. He never seems to understand the power of incentives and the positive economic impact of corporate profitability.

Here's my response:

Re: Corporate Tax Policy – Remove negative incentives! Don't just send in the tax collector!

We read much about opposition to “inversions” – U.S. companies reincorporating overseas to lower their tax bills. An article by Julie Hirschfeld Davis (NYT) appeared in your paper (8-6-14) pointing out that Obama is considering an array options to prevent this from happening in the future.

One thing you can be sure of is that Obama will “put a gun” to the collective “corporate head” in order to force compliance with his idea of appropriate tax policy. Why not use this as an opportunity to remove the incentives that exist for companies to resort to this drastic measure. Even Obama has expressed concern that American corporations are at an international disadvantage because of high tax rates – the highest in the developed world! The argument for corporate tax reform has never been stronger.

And it's really quite easy to create significant positive economic stimulation by:

- Removing loopholes
- Making effective tax rates internationally competitive
- Eliminating double taxation by making corporate dividends deductible
- Eliminating tax policy barriers to repatriation of earnings into the U.S.

Not only will the obvious advantages be created, American workers will benefit directly in both employment and real wages. CBO statistics demonstrate that the biggest winners from corporate tax decreases are the employees. Wages go up and profitability encourages expansion and hiring.

How can you reject a WIN/WIN/WIN situation? It's good for the company, employees, and the overall economy!

Hey SB! A lot of people equate corporate profitability with “greed.” But like Rush Limbaugh recently expressed (paraphrased), this type of “greed” feeds a lot more mouths than any other measure, including government entitlements and even charitable programs. – Stefano Bachovich – obscure curmudgeon and wise political pundit – a prolific purveyor of opinions on just about everything – SB's primary “go to guy.”